

Calendar No. 292

105TH CONGRESS
1ST Session

S. 986

[Report No. 105-153]

A BILL

To amend title 38, United States Code, to make certain improvements in the housing loan programs for veterans and eligible persons, and for other purposes.

NOVEMBER 10, 1997

Reported with an amendment and an amendment to the title

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IN THE SENATE OF THE UNITED STATES

JULY 7, 1997

Mr. SPECTER (by request) introduced the following bill; which was read twice and referred to the Committee on Veterans' Affairs

NOVEMBER 10, 1997

Reported by Mr. SPECTER, with an amendment and an amendment to the title
[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To amend title 38, United States Code, to make certain improvements in the housing loan programs for veterans and eligible persons, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; REFERENCES TO TITLE 38, UNITED STATES CODE.**
 2

3 (a) **SHORT TITLE.**—This Act may be cited as the
 4 “Veterans’ Housing Loan Improvements Act of 1997”.

5 (b) **REFERENCES TO TITLE 38.**—Except as otherwise
 6 may be specifically provided, whenever in the Act an
 7 amendment or repeal is expressed in terms of an amend-
 8 ment to, or repeal of, a section or other provision, the ref-
 9 erence shall be considered to be made to a section or other
 10 provision of title 38, United States Code.

11 **SEC. 2. LOAN FEE.**

12 (a) Section 3729 is amended by striking out every-
 13 thing after the catchline, and inserting in lieu thereof:

14 “(a)(1) Except as provided in subsection (c) of this
 15 section, a fee shall be collected from each person obtaining
 16 a housing loan guaranteed, insured, or made under this
 17 chapter, and each person assuming a loan to which section
 18 3714 of this title applies. Such a loan may not be guaran-
 19 teed, insured, made, or assumed until the fee payable
 20 under this section has been remitted to the Secretary.

21 “(2) The fee may be included in the loan and paid
 22 from the proceeds thereof.

23 “(b)(1) The amount of the fee shall be determined
 24 from the table in subsection (d) of this section. The fee
 25 is expressed as a percentage of the total amount of the
 26 loan guaranteed, insured, or made, or, in the case of a

1 loan assumption, the unpaid principal balance of the loan
 2 on the date of the transfer of the property.

3 ~~“(2) Any reference to a section in the Type of Loan~~
 4 ~~column in subsection (d) of this section refers to a section~~
 5 ~~of this title.~~

6 ~~“(3) For the purposes of this section:~~

7 ~~“(A) The term ‘Active Duty Veteran’ means~~
 8 ~~any veteran eligible for the benefits of this chapter~~
 9 ~~other than a Reservist;~~

10 ~~“(B) The term ‘Reservist’ means a veteran de-~~
 11 ~~scribed in section 3701(b)(5)(A);~~

12 ~~“(C) The term ‘Other Obligor’ means a person~~
 13 ~~who is not a veteran, as defined by section 101 or~~
 14 ~~other provision of this chapter;~~

15 ~~“(D) The term ‘initial loan described in section~~
 16 ~~3710’ means a loan obtained by a veteran pursuant~~
 17 ~~to section 3710 of this title if the veteran has never~~
 18 ~~obtained a loan guaranteed under section 3710 or~~
 19 ~~made under 3711;~~

20 ~~“(E) The term ‘subsequent loan described in~~
 21 ~~section 3710’ means a loan obtained by a veteran~~
 22 ~~pursuant to section 3710 title if the veteran has pre-~~
 23 ~~viously obtained a loan guaranteed under section~~
 24 ~~3710 or made under section 3711. The term shall~~

1 not refer to an interest rate reduction refinancing
 2 loan;

3 ~~“(F) The term ‘interest rate reduction refinanc-~~
 4 ~~ing loan’ means a loan described in section~~
 5 ~~3710(a)(8), 3710(a)(9)(B)(i), 3710(a)(11),~~
 6 ~~3712(a)(1)(F) or 3762(h);~~

7 ~~“(G) The term ‘0-down’ means a downpayment,~~
 8 ~~if any, of less than 5 percent of the total purchase~~
 9 ~~price or construction cost of the dwelling;~~

10 ~~“(H) The term ‘5-down’ means a downpayment~~
 11 ~~of at least 5 percent but less than 10 percent of the~~
 12 ~~total purchase price or construction cost of the~~
 13 ~~dwelling;~~

14 ~~“(I) The term ‘10-down’ means a downpayment~~
 15 ~~of 10 percent or more of the total purchase price or~~
 16 ~~construction cost of the dwelling;~~

17 ~~“(e) A fee may not be collected under this section~~
 18 ~~from a veteran who is receiving compensation (or who but~~
 19 ~~for the receipt of retirement pay would be entitled to re-~~
 20 ~~ceive compensation) or from a surviving spouse of any vet-~~
 21 ~~eran (including a person who died in the active military,~~
 22 ~~naval, or air service) who died from a service-connected~~
 23 ~~disability.~~

24 ~~“(d) The following table establishes the percentages~~
 25 ~~of fees to be collected under this section.~~

“Loan Fee Table

“Type of Loan	Active Duty Veteran	Reservist	Other Obligor
“Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down; or any other initial loan described in section 3710(a).	2.00	2.75	Not Appli- eable
“Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down; or any other subsequent loan described in section 3710(a).	3.00	3.00	Not Appli- eable
“Loan described in section 3710(a) to purchase or construct a dwelling with 5-down.	1.50	2.25	Not Appli- eable
“Loan described in section 3710(a) to purchase or construct a dwelling with 10-down.	1.25	2.00	Not Appli- eable
“Interest rate reduction refinancing loan	0.50	0.50	Not Appli- eable
“Direct loan made under section 3711	1.00	1.00	Not Appli- eable
“Manufactured home loan described in section 3712 (other than an interest rate reduction refinancing loan).	1.00	1.00	Not Appli- eable
Loan to Native American veteran made under section 3762 (other than an interest rate reduction refinancing loan).	1.25	1.25	Not Appli- eable
“Assuming a loan to which section 3714 applies.	0.50	0.50	0.50
“Loan made under section 3733(a)	2.25	2.25	2.25

1 “(e) Notwithstanding subsection (d) of this section,
2 the Secretary, by regulation, may prescribe a different
3 percentage for the fee applicable to loans made under sec-
4 tion 3733(a), if the Secretary finds a different amount is
5 necessary so that the fee charged for such loans is consist-
6 ent with the fees charged by other departments of the Gov-
7 ernment for similar loans available to the public, or if the
8 Secretary determines that considerations of the market for
9 properties sold by the Secretary necessitate a different
10 fee.”.

11 (b) This section applies to any loan closed after Sep-
12 tember 30, 1997.

1 **SEC. 3. EXTENSION OF NO-BID FORMULA.**

2 Section 3732(e) is amended by striking out para-
3 graph (11) in its entirety.

4 **SEC. 4. ENHANCED VENDEE LOAN SALES.**

5 Section 3720(h) is amended by:

6 (1) striking out paragraph (2) in its entirety;

7 and

8 (2) striking out “(h)(1)” and inserting in lieu
9 thereof “(h)”.

10 **SEC. 5. REPEAL OF LOAN DEBT COLLECTION RESTRIC-**
11 **TIONS.**

12 Subchapter III of chapter 37 is amended by striking
13 out section 3726 in its entirety.

14 **SEC. 6. ACCOUNT CONSOLIDATION.**

15 (a) Subchapter III of chapter 37 is amended by strik-
16 ing out sections 3723, 3724, and 3725 in their entirety.

17 (b) Such subchapter is further amended by inserting
18 after section 3721 the following new section:

19 **“§ 3722. Veterans Housing Benefit Program Fund**

20 “(a) There is hereby established in the Treasury of
21 the United States a fund known as the Veterans Housing
22 Benefit Program Fund.

23 “(b) The Veterans Housing Benefit Program Fund
24 shall be available to the Secretary, without fiscal year limi-
25 tation, for all housing loan operations under this chapter,
26 consistent with the Federal Credit Reform Act of 1990.

1 “(c) There shall be deposited in the Veterans Hous-
2 ing Benefit Program Fund:

3 “(1) All money as of September 30, 1997, in:
4 (A) the Direct Loan Revolving Fund established by
5 section 513 of the Servicemen’s Readjustment Act of
6 1944; (B) the Department of Veterans Affairs Loan
7 Guaranty Revolving Fund established by section
8 7(a) of Public Law 86–665; and (C) the Guaranty
9 and Indemnity Fund established by section
10 302(a)(1) of Public Law 101–237;

11 “(2) All money hereafter appropriated for such
12 Fund;

13 “(3) All fees collected by the Secretary on or
14 after October 1, 1997, pursuant to section 3729, or
15 any other provision of law or regulation established
16 by the Secretary imposing fees on persons or other
17 entities participating in the housing loan program
18 under this chapter; and

19 “(4) All other amounts received by the Sec-
20 retary on or after October 1, 1997, incident to hous-
21 ing loan operations under this chapter including, but
22 not limited to, collections of principal and interest,
23 proceeds from the sale, rental, use, or other disposi-
24 tion of property acquired under this chapter, pro-
25 ceeds from the sale of loans pursuant to sections

1 ~~3720(h) and 3733(a)(3), and penalties collected pur-~~
 2 ~~suant to section 3710(g)(4)(B).~~

3 ~~“(d) For purposes of this section, the term ‘housing~~
 4 ~~loan’ shall not include a loan made pursuant to subchapter~~
 5 ~~V of this chapter.”.~~

6 ~~(e) The amendments made by this section shall take~~
 7 ~~effect October 1, 1997.~~

8 **SEC. 7. EXTENSION OF PILOT PROGRAM FOR DIRECT**
 9 **LOANS TO NATIVE AMERICAN VETERANS.**

10 ~~Section 3761(c) is amended by striking out “1997”.~~
 11 ~~and inserting in lieu thereof “1999.”.~~

12 **SEC. 8. CONFORMING AMENDMENTS.**

13 ~~(a) Section 2106(c) is amended by striking out “ei-~~
 14 ~~ther the direct loan or loan guaranty revolving fund estab-~~
 15 ~~lished by section 3723 or 3724 of this title, respectively.”~~
 16 ~~and inserting in lieu thereof “the Veterans Housing Bene-~~
 17 ~~fit Program Fund established by section 3722 of this~~
 18 ~~title.”.~~

19 ~~(b) Section 3703(e)(1) is amended by striking out~~
 20 ~~“3729(e)(1)” and inserting in lieu thereof “3729(e)”.~~

21 ~~(c) Section 3711(k) is amended by striking out “and~~
 22 ~~section 3723 of this title” both places it appears.~~

23 ~~(d) Section 3720 is amended by striking out sub-~~
 24 ~~section (e) in its entirety and inserting in lieu thereof—~~

25 ~~“(e) [Repealed.]”.~~

1 (e) Section 3727(e) is amended by striking out
 2 “funds established pursuant to sections 3723 and 3724
 3 of this title, as applicable.” and inserting in lieu thereof
 4 “fund established pursuant to section 3722 of this title.”.

5 (f) Section 3733(a)(6) is amended by—

6 (1) striking out “Department of Veterans Af-
 7 fairs Loan Guaranty Revolving” and inserting in
 8 lieu thereof “Veterans Housing Benefit Program”;
 9 and

10 (2) striking out “3724(a)” and inserting in lieu
 11 thereof “3722(a)”.

12 (g) Section 3733 is further amended by striking out
 13 subsection (e) in its entirety.

14 (h) Section 3734 is amended by—

15 (1) striking out, in the catchline, “Loan Guar-
 16 anty Revolving Fund and the Guaranty and Indem-
 17 nity” and inserting in lieu thereof “Veterans Hous-
 18 ing Benefit Program”;

19 (2) striking out, in subsection (a)(1), “Loan
 20 Guaranty Revolving Fund and the Guaranty and In-
 21 demnity” and inserting in lieu thereof “Veterans
 22 Housing Benefit Program”;

23 (3) striking out, in subsection (a)(2) “funds,”
 24 and inserting in lieu thereof “fund,”;

1 (4) striking out, in subsection (b), “each” and
2 inserting in lieu thereof “the”; and

3 (5) striking out, in paragraph (2) of subsection
4 (b), subparagraphs (B), (C), and (D) in their en-
5 tirety, and redesignating subparagraphs (E), (F),
6 and (G) as (B), (C), and (D), respectively.

7 (i) Section 3735(a)(3)(A)(i) is amended by striking
8 out “Loan Guaranty Revolving Fund and the Guaranty
9 and Indemnity” and inserting in lieu thereof “Veterans
10 Housing Benefit Program”.

11 (j) The catchline for section 3763 is amended by
12 striking out “Housing” and inserting in lieu thereof “Na-
13 tive American veteran housing”.

14 (k) The table of sections for subchapter III of chapter
15 37 is amended by—

16 (1) striking out the items relating to sections
17 3722, 3723, 3724, 3725, and 3726 and inserting in
18 lieu thereof—

19 “~~3722. Veterans Housing Benefit Program~~
20 Fund.

21 “~~[3723. Repealed.]~~

22 “~~[3724. Repealed.]~~

23 “~~[3725. Repealed.]~~

24 “~~[3726. Repealed.]~~”;

1 (2) striking out, in the item relating to section
 2 3734, “Loan Guaranty Revolving Fund and the
 3 Guaranty and Indemnity” and inserting in lieu
 4 thereof “Veterans Housing Benefit Program”; and
 5 (3) inserting at the end thereof the following
 6 new item:

7 “3736. Portfolio Loan Servicing.”

8 (h) The table of sections for subchapter V of chapter
 9 37 is amended by striking out, in the term related to sec-
 10 tion 3763, “Housing” and inserting in lieu thereof “Na-
 11 tive American veteran housing”.

12 (m) Section 7(h)(2)(B) of Public Law 102-54, as
 13 amended (38 U.S.C. 1718 note), is amended by striking
 14 out “Loan Guaranty Revolving” and inserting in lieu
 15 thereof “Veterans Housing Benefit Program”.

16 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

17 (a) *SHORT TITLE.*—*This Act may be cited as the “Vet-*
 18 *erans’ Benefits Improvements Act of 1997”.*

19 (b) *TABLE OF CONTENTS.*—*The table of contents of this*
 20 *Act is as follows:*

Sec. 1. Short title; table of contents.

Sec. 2. References to title 38, United States Code.

TITLE I—CODIFICATION OF COMPENSATION RATE INCREASES

Sec. 101. Short title.

Sec. 102. Disability compensation.

Sec. 103. Additional compensation for dependents.

Sec. 104. Clothing allowance for certain disabled veterans.

Sec. 105. Dependency and indemnity compensation for surviving spouses.

Sec. 106. Dependency and indemnity compensation for children.

Sec. 107. Effective date.

*TITLE II—AUTHORIZATIONS OF MAJOR MEDICAL PROJECTS AND
LEASES*

Sec. 201. Authorization of major medical facility project.
Sec. 202. Authorization of major medical facility leases.
Sec. 203. Authorization of appropriations.

TITLE III—OTHER MATTERS

Subtitle A—Improvement of Housing Loan Authorities

Sec. 301. Consolidation of housing loan revolving funds.

Subtitle B—Improvement of Health Care Authorities

Sec. 311. Reimbursement of costs associated with compensation and pension medical examinations.
Sec. 312. Clarification of certain health care authorities.

Subtitle C—State Cemetery Grants

Sec. 321. State cemetery grants program.

Subtitle D—Other Matters

Sec. 331. Limitation on special separation incentive recoupment from veterans compensation benefits.
Sec. 332. Report on preparations for a national response to medical emergencies arising from the terrorist use of weapons of mass destruction.
Sec. 333. Technical amendments.

1 **SEC. 2. REFERENCES TO TITLE 38, UNITED STATES CODE.**

2 *Whenever in this Act an amendment is expressed in*
3 *terms of an amendment to a section or other provision, the*
4 *reference shall be considered to be made to a section or other*
5 *provision of title 38, United States Code.*

6 **TITLE I—CODIFICATION OF COM-**
7 **PENSATION RATE INCREASES**

8 **SEC. 101. SHORT TITLE.**

9 *This title may be cited as the “Veterans’ Compensation*
10 *Rate Increase Codification Act of 1997”.*

11 **SEC. 102. DISABILITY COMPENSATION.**

12 *Section 1114 is amended—*

1 (1) by striking out “\$87” in subsection (a) and
2 inserting in lieu thereof “\$94”;

3 (2) by striking out “\$166” in subsection (b) and
4 inserting in lieu thereof “\$179”;

5 (3) by striking out “\$253” in subsection (c) and
6 inserting in lieu thereof “\$274”;

7 (4) by striking out “\$361” in subsection (d) and
8 inserting in lieu thereof “\$391”;

9 (5) by striking out “\$515” in subsection (e) and
10 inserting in lieu thereof “\$558”;

11 (6) by striking out “\$648” in subsection (f) and
12 inserting in lieu thereof “\$703”;

13 (7) by striking out “\$819” in subsection (g) and
14 inserting in lieu thereof “\$887”;

15 (8) by striking out “\$948” in subsection (h) and
16 inserting in lieu thereof “\$1,028”;

17 (9) by striking out “\$1,067” in subsection (i)
18 and inserting in lieu thereof “\$1,157”;

19 (10) by striking out “\$1,774” in subsection (j)
20 and inserting in lieu thereof “\$1,924”;

21 (11) in subsection (k)—

22 (A) by striking out “\$70” both places it ap-
23 pears and inserting in lieu thereof “\$74”; and

1 (B) by striking out “\$2,207” and “\$3,093”
 2 and inserting in lieu thereof “\$2,393” and
 3 “\$3,356”, respectively;

4 (12) by striking out “\$2,207” in subsection (l)
 5 and inserting in lieu thereof “\$2,393”;

6 (13) by striking out “\$2,432” in subsection (m)
 7 and inserting in lieu thereof “\$2,639”;

8 (14) by striking out “\$2,768” in subsection (n)
 9 and inserting in lieu thereof “\$3,003”;

10 (15) by striking out “\$3,093” each place it ap-
 11 pears in subsections (o) and (p) and inserting in lieu
 12 thereof “\$3,356”;

13 (16) by striking out “\$1,328” and “\$1,978” in
 14 subsection (r) and inserting in lieu thereof “\$1,441”
 15 and “\$2,145”, respectively; and

16 (17) by striking out “\$1,985” in subsection (s)
 17 and inserting in lieu thereof “\$2,154”.

18 **SEC. 103. ADDITIONAL COMPENSATION FOR DEPENDENTS.**

19 Section 1115(1) is amended—

20 (1) by striking out “\$105” in clause (A) and in-
 21 serting in lieu thereof “\$112”;

22 (2) by striking out “\$178” and “\$55” in clause
 23 (B) and inserting in lieu thereof “\$191” and “\$59”,
 24 respectively;

1 (3) by striking out “\$72” and “\$55” in clause
2 (C) and inserting in lieu thereof “\$77” and “\$59”,
3 respectively;

4 (4) by striking out “\$84” in clause (D) and in-
5 serting in lieu thereof “\$91”;

6 (5) by striking out “\$195” in clause (E) and in-
7 serting in lieu thereof “\$211”; and

8 (6) by striking out “\$164” in clause (F) and in-
9 serting in lieu thereof “\$177”.

10 **SEC. 104. CLOTHING ALLOWANCE FOR CERTAIN DISABLED**
11 **VETERANS.**

12 Section 1162 is amended by striking out “\$478” and
13 inserting in lieu thereof “\$518”.

14 **SEC. 105. DEPENDENCY AND INDEMNITY COMPENSATION**
15 **FOR SURVIVING SPOUSES.**

16 Section 1311 is amended—

17 (1) in subsection (a)—

18 (A) by striking out “\$769” in paragraph
19 (1) and inserting in lieu thereof “\$833”;

20 (B) by striking out “\$169” in paragraph
21 (2) and inserting in lieu thereof “\$182”; and

22 (C) by striking out the table following para-
23 graph (3) and inserting in lieu thereof the fol-
24 lowing new table:

<i>“Pay grade</i>	<i>Monthly rate</i>	<i>Pay grade</i>	<i>Monthly rate</i>
<i>E-7</i>	\$861	<i>O-3</i>	\$972
<i>E-8</i>	909	<i>O-4</i>	1,028
<i>E-9</i>	¹ 949	<i>O-5</i>	1,132
<i>W-1</i>	880	<i>O-6</i>	1,276
<i>W-2</i>	915	<i>O-7</i>	1,378
<i>W-3</i>	943	<i>O-8</i>	1,510
<i>W-4</i>	997	<i>O-9</i>	1,618
<i>O-1</i>	880	<i>O-10</i>	² 1,774
<i>O-2</i>	909.		

¹If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by section 1302 of this title, the surviving spouse’s rate shall be \$1,023.

²If the veteran served as Chairman or Vice-Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, or Commandant of the Coast Guard, at the applicable time designated by section 1302 of this title, the surviving spouse’s rate shall be \$1,902.”;

1 (2) in subsection (b), by striking out “\$100 for
2 each such child” and all that follows through “there-
3 after” and inserting in lieu thereof “\$211 for each
4 such child”;

5 (3) in subsection (c), by striking out “\$195” and
6 inserting in lieu thereof “\$211”; and

7 (4) in subsection (d), by striking out “\$95” and
8 inserting in lieu thereof “\$102”.

9 **SEC. 106. DEPENDENCY AND INDEMNITY COMPENSATION**
10 **FOR CHILDREN.**

11 (a) *DIC FOR ORPHAN CHILDREN.*—Section 1313(a) is
12 amended—

13 (1) by striking out “\$327” in clause (1) and in-
14 serting in lieu thereof “\$354”;

15 (2) by striking out “\$471” in clause (2) and in-
16 serting in lieu thereof “\$510”;

17 (3) by striking out “\$610” in clause (3) and in-
18 serting in lieu thereof “\$662”; and

1 (4) by striking out “\$610” and “\$120” in clause
 2 (4) and inserting in lieu thereof “\$662” and “\$130”,
 3 respectively.

4 (b) *SUPPLEMENTAL DIC FOR DISABLED ADULT CHIL-*
 5 *DREN.—Section 1314 is amended—*

6 (1) by striking out “\$195” in subsection (a) and
 7 inserting in lieu thereof “\$211”;

8 (2) by striking out “\$327” in subsection (b) and
 9 inserting in lieu thereof “\$354”; and

10 (3) by striking out “\$166” in subsection (c) and
 11 inserting in lieu thereof “\$179”.

12 **SEC. 107. EFFECTIVE DATE.**

13 *The amendments made by this title shall take effect*
 14 *on December 1, 1996.*

15 **TITLE II—AUTHORIZATIONS OF**
 16 **MAJOR MEDICAL PROJECTS**
 17 **AND LEASES**

18 **SEC. 201. AUTHORIZATION OF MAJOR MEDICAL FACILITY**
 19 **PROJECT.**

20 (a) *AUTHORIZATION OF SEISMIC CORRECTION*
 21 *PROJECT.—The Secretary of Veterans Affairs may carry*
 22 *out seismic corrections at the Department of Veterans Af-*
 23 *fairs medical center in Memphis, Tennessee, in the amount*
 24 *of \$107,600,000.*

1 (b) *PROJECT AUTHORIZATION WHEN PARTIAL FUND-*
 2 *ING PROVIDED.*—*If the amount of funds appropriated for*
 3 *fiscal year 1998 or 1999 for design and partial construction*
 4 *of the seismic corrections project authorized in subsection*
 5 *(a) is less than the amount required to complete the seismic*
 6 *corrections project as authorized and if the Secretary obli-*
 7 *gates funds for the seismic corrections project, the project*
 8 *shall be deemed to be fully authorized. The authorization*
 9 *shall cease to have effect at the end of fiscal year 2002.*

10 **SEC. 202. AUTHORIZATION OF MAJOR MEDICAL FACILITY**
 11 **LEASES.**

12 *The Secretary of Veterans Affairs may enter into leases*
 13 *for medical facilities as follows:*

14 (1) *Lease of an information resources manage-*
 15 *ment field office, Birmingham, Alabama, in an*
 16 *amount not to exceed \$595,000.*

17 (2) *Lease of a satellite outpatient clinic, Jack-*
 18 *sonville, Florida, in an amount not to exceed*
 19 *\$3,095,000.*

20 (3) *Lease of a satellite outpatient clinic, Boston,*
 21 *Massachusetts, in an amount not to exceed*
 22 *\$5,215,000.*

23 (4) *Lease of a satellite outpatient clinic, Canton,*
 24 *Ohio, in an amount not to exceed \$735,000.*

1 (5) *Lease of a satellite outpatient clinic, Tulsa,*
 2 *Oklahoma, in an amount not to exceed \$2,112,000.*

3 (6) *Lease of a satellite outpatient clinic, Port-*
 4 *land, Oregon, in an amount not to exceed \$1,919,000.*

5 (7) *Lease of an information resources manage-*
 6 *ment field office, Salt Lake City, Utah, in an amount*
 7 *not to exceed \$652,000.*

8 **SEC. 203. AUTHORIZATION OF APPROPRIATIONS.**

9 (a) *IN GENERAL.*—*There are authorized to be appro-*
 10 *priated to the Secretary of Veterans Affairs for fiscal year*
 11 *1998 and fiscal year 1999—*

12 (1) *for the Construction, Major Projects, account,*
 13 *a total of \$34,600,000 for the project authorized in*
 14 *section 201; and*

15 (2) *for the Medical Care account, a total of*
 16 *\$14,323,000 for the leases authorized in section 202.*

17 (b) *LIMITATION.*—*The project authorized in section*
 18 *201 may only be carried out using—*

19 (1) *funds appropriated for fiscal year 1998 or*
 20 *fiscal year 1999 consistent with the authorization of*
 21 *appropriations in subsection (a);*

22 (2) *funds appropriated for Construction, Major*
 23 *Projects for a fiscal year before fiscal year 1998 that*
 24 *remain available for obligation; and*

1 (3) *funds appropriated for Construction, Major*
 2 *Projects for fiscal year 1998 or fiscal year 1999 for*
 3 *a category of activity not specific to a project.*

4 ***TITLE III—OTHER MATTERS***
 5 ***Subtitle A—Improvement of***
 6 ***Housing Loan Authorities***

7 ***SEC. 301. CONSOLIDATION OF HOUSING LOAN REVOLVING***
 8 ***FUNDS.***

9 (a) *IN GENERAL.*—Subchapter III of chapter 37 is
 10 *amended by inserting after section 3721 the following new*
 11 *section:*

12 ***“§3722. Veterans Housing Benefits Programs Fund***

13 *“(a) There is established on the books of the Treasury*
 14 *of the United States a fund to be known as the Veterans*
 15 *Housing Benefits Programs Fund (in this section referred*
 16 *to as the ‘Fund’).*

17 *“(b) There shall be deposited in the Fund the following:*

18 *“(1) Any unobligated funds as of October 1,*
 19 *1997, in the direct loan revolving fund under section*
 20 *3723 of this title.*

21 *“(2) Any unobligated funds as of October 1,*
 22 *1997, in the Department of Veterans Affairs Loan*
 23 *Guaranty Revolving Fund established by section 3724*
 24 *of this title.*

1 “(3) *Any unobligated funds as of October 1,*
 2 *1997, in the Guaranty and Indemnity Fund estab-*
 3 *lished by section 3725 of this title.*

4 “(4) *Any amounts appropriated to the Fund.*

5 “(5) *Any fees collected by the Secretary after*
 6 *September 30, 1997, under section 3729 of this title,*
 7 *or under any other provision of law or regulation*
 8 *prescribed by the Secretary that imposes fees on per-*
 9 *sons participating in any housing loan program*
 10 *under subchapter I, II, or III of this chapter.*

11 “(6) *Any other amounts collected or received by*
 12 *the Secretary after September 30, 1997, as a result of*
 13 *activities under the housing loan programs under sub-*
 14 *chapter I, II, or III of this chapter, including—*

15 “(A) *collections of principal and interest on*
 16 *housing loans made by the Secretary under such*
 17 *programs;*

18 “(B) *proceeds from the sale, rental, use, or*
 19 *other disposition of property acquired under*
 20 *such programs;*

21 “(C) *proceeds from the sale of loans under*
 22 *section 3720(h) or 3733(a)(3) of this title; and*

23 “(D) *penalties collected under section*
 24 *3710(g)(4)(B) of this title.*

1 “(d) *Subject to the provisions of the Federal Credit Re-*
 2 *form Act of 1990 (2 U.S.C. 661 et seq.), amounts in the*
 3 *Fund shall be available to the Secretary, without fiscal year*
 4 *limitation, for all housing loan operations and housing loan*
 5 *guaranty and insurance operations under subchapter I, II,*
 6 *or III of this chapter.”.*

7 (b) *CONFORMING REPEALS.—Sections 3723, 3724, and*
 8 *3725 are repealed.*

9 (c) *CONFORMING AMENDMENTS.—(1) Section 3711(k)*
 10 *is amended by striking out “and section 3723 of this title”*
 11 *each place it appears.*

12 (2) *Section 3720(e)(2) is amended—*

13 (A) *in the first sentence—*

14 (i) *by striking out “proportionately allocate*
 15 *and deposit” and all that follows through “as de-*
 16 *termined on an estimated basis,” and inserting*
 17 *in lieu thereof “deposit the entire proceeds re-*
 18 *ceived from the sale of participations under this*
 19 *subsection into the Veterans Housing Benefits*
 20 *Programs Fund established by section 3722 of*
 21 *this title”; and*

22 (ii) *by striking out “the funds” and insert-*
 23 *ing in lieu thereof “the fund”; and*

24 (B) *in the last sentence, by striking out “in the*
 25 *funds established pursuant to sections 3723 and 3724*

1 of this chapter” and inserting in lieu thereof “the Vet-
 2 erans Housing Benefits Programs Fund”.

3 (3) Section 3733(a)(6) is amended by striking out “the
 4 Department of Veterans Affairs Loan Guaranty Revolving
 5 Fund established by section 3724(a)” and inserting in lieu
 6 thereof “the Veterans Housing Benefits Programs Fund es-
 7 tablished by section 3722”.

8 (4)(A) Subsection (a)(1) of section 3734 is amended
 9 by striking out “the Loan Guaranty Revolving Fund and
 10 the Guaranty and Indemnity Fund” and inserting in lieu
 11 thereof “the Veterans Housing Benefits Programs Fund”.

12 (B) The section heading of such section is amended by
 13 striking out “**the Loan Guaranty Revolving Fund**
 14 **and the Guaranty and Indemnity Fund**” and in-
 15 serting in lieu thereof “**the Veterans Housing Bene-**
 16 **fits Programs Fund**”.

17 (5) Section 3735(a)(3)(A)(i) is amended by striking
 18 out “the Loan Guaranty Revolving Fund and the Guaranty
 19 and Indemnity Fund” and inserting in lieu thereof “the
 20 Veterans Housing Benefits Programs Fund”.

21 (d) CLERICAL AMENDMENTS.—The table of sections at
 22 the beginning of chapter 37 is amended—

23 (1) by striking out the items relating to sections
 24 3723, 3724, and 3725 and inserting in lieu thereof
 25 the following:

“3722. Veterans Housing Benefits Programs Fund.”; and

1 (2) *in the item relating to section 3734, by strik-*
 2 *ing out “the Loan Guaranty Revolving Fund and the*
 3 *Guaranty and Indemnity Fund” and inserting in*
 4 *lieu thereof “the Veterans Housing Benefits Programs*
 5 *Fund”.*

6 (e) *EFFECTIVE DATE.*—*The amendments made by this*
 7 *section shall take effect on October 1, 1997.*

8 ***Subtitle B—Improvement of Health***
 9 ***Care Authorities***

10 ***SEC. 311. REIMBURSEMENT OF COSTS ASSOCIATED WITH***
 11 ***COMPENSATION AND PENSION MEDICAL EX-***
 12 ***AMINATIONS.***

13 (a) *AUTHORIZATION.*—*Subchapter I of chapter 77 is*
 14 *amended by adding at the end the following new section:*

15 ***“§ 7704. Reimbursement for compensation and pen-***
 16 ***sion medical examinations***

17 “(a) *REIMBURSEMENT.*—*The Under Secretary for*
 18 *Benefits may reimburse the Under Secretary for Health for*
 19 *costs incurred by the Under Secretary of Health for the con-*
 20 *duct of medical examinations requested by the Under Sec-*
 21 *retary for Benefits in connection with claims for benefits*
 22 *under this title.*

23 “(b) *SOURCE OF FUNDS.*—*Reimbursements under this*
 24 *section shall be made from amounts available to the Sec-*
 25 *retary for payment of general operating expenses.”.*

1 (b) *CLERICAL AMENDMENT.*—*The table of sections at*
 2 *the beginning of chapter 77 is amended by inserting after*
 3 *the item relating to section 7703 the following new item:*

“7704. Reimbursement for compensation and pension medical examinations.”.

4 **SEC. 312. CLARIFICATION OF CERTAIN HEALTH CARE AU-**
 5 **THORITIES.**

6 (a) *ELIGIBILITY FOR HOSPITAL CARE AND MEDICAL*
 7 *SERVICES.*—*Section 1710(a)(2)(B) is amended by striking*
 8 *out “compensable”.*

9 (b) *HOME HEALTH SERVICES.*—*Section 1717(a) is*
 10 *amended—*

11 (1) *in paragraph (1), by striking out “veteran’s*
 12 *disability” and inserting in lieu thereof “veteran”;*
 13 *and*

14 (2) *in paragraph (2)(B), by striking out “section*
 15 *1710(a)(2)” and inserting in lieu thereof “section*
 16 *1710(a)”.*

17 (c) *AUTHORITY TO TRANSFER VETERANS RECEIVING*
 18 *OUTPATIENT CARE TO NON-DEPARTMENT NURSING*
 19 *HOMES.*—*Section 1720(a)(1)(A)(i) is amended by striking*
 20 *out “hospital care, nursing home care, or domiciliary care”*
 21 *and inserting in lieu thereof “care”.*

22 (d) *ACQUISITION OF COMMERCIAL HEALTH CARE RE-*
 23 *SOURCES.*—*Section 8153(a)(3)(A) is amended by inserting*
 24 *“(including any Executive order, circular, or other admin-*
 25 *istrative policy)” after “law or regulation”.*

1 (e) *COMPETITION IN PROCUREMENT OF COMMERCIAL*
 2 *HEALTH CARE RESOURCES.*—Section 8153(a)(3)(B)(ii) is
 3 amended in the second sentence by inserting “, as appro-
 4 priate,” after “all responsible sources”.

5 (f) *ARRANGEMENTS FOR CARE OF NON-VETERANS.*—
 6 Section 8153(e)(1) is amended to read as follows:

7 “(1) that care to veterans will not be diminished
 8 as a result of such an arrangement; and”.

9 ***Subtitle C—State Cemetery Grants***

10 ***SEC. 321. STATE CEMETERY GRANTS PROGRAM.***

11 (a) *AMOUNT OF GRANTS.*—Section 2408(b) is amended
 12 by striking out paragraphs (1) and (2) and inserting in
 13 lieu thereof the following new paragraphs (1) and (2):

14 “(1) The amount of any grant under this section
 15 may not exceed the following:

16 “(A) In the case of a grant for the establish-
 17 ment of a new cemetery, an amount equal to the
 18 total of—

19 “(i) the cost of improvements to be
 20 made on the land to be acquired or dedi-
 21 cated for the cemetery; and

22 “(ii) the initial cost of equipment nec-
 23 essary to operate the cemetery.

“(B) *In the case of a grant for the expansion or improvement of an existing cemetery, an amount equal to the total of—*

“(i) *the cost of improvements to be made on any land to be added to the cemetery; and*

“(ii) *the cost of any improvements to be made to the existing cemetery.*

“(2) *If the amount of a grant for a cemetery under this section is less than the amount of the costs with respect to the cemetery described in the applicable subparagraph of paragraph (1) of this subsection, the State receiving the grant shall contribute the amount by which such costs exceed the amount of the grant less the value of any land acquired or dedicated by the State for the cemetery.”.*

(b) *EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect 60 days after the date of enactment of this Act.*

Subtitle D—Other Matters

SEC. 331. LIMITATION ON SPECIAL SEPARATION INCENTIVE RECOUPMENT FROM VETERANS COMPENSATION BENEFITS.

(a) *IN GENERAL.—(1) Chapter 53 is amended by inserting after section 5304 the following new section:*

1 **“§ 5304A. Recoupment of special separation benefits**
 2 **from compensation: limitation**

3 *“In the case of a veteran with a service-connected dis-*
 4 *ability who is entitled to compensation and who is paid*
 5 *special separation benefits under section 1174a of title 10,*
 6 *the amount of compensation otherwise payable to that vet-*
 7 *eran that is deducted pursuant to section 1174a(g) of title*
 8 *10 by reason of the payment to that veteran of such benefits*
 9 *may not exceed 75 percent of the total amount of the benefits*
 10 *paid to the veteran.”.*

11 *(2) The table of sections at the beginning of such chap-*
 12 *ter is amended by adding at the end the following new item:*

“5304A. Recoupment of special separation benefits from compensation: limita-
tion.”.

13 *(b) EFFECTIVE DATE.—Section 5304A of title 38,*
 14 *United States Code, as added by subsection (a), shall apply*
 15 *with respect to payment of compensation by the Secretary*
 16 *of Veterans Affairs for months beginning after December 5,*
 17 *1991.*

18 **SEC. 332. REPORT ON PREPARATIONS FOR A NATIONAL RE-**
 19 **SPONSE TO MEDICAL EMERGENCIES ARISING**
 20 **FROM THE TERRORIST USE OF WEAPONS OF**
 21 **MASS DESTRUCTION.**

22 *(a) FINDINGS.—Congress makes the following findings:*

23 *(1) There is a need for improved coordination*
 24 *among the departments and agencies of the Federal*

1 *Government in planning and carrying out a national*
2 *response to medical emergencies arising from the ter-*
3 *rorist use of weapons of mass destruction.*

4 *(2) All departments and agencies of the Federal*
5 *Government which would be called upon to respond to*
6 *such emergencies need to be involved in planning such*
7 *response.*

8 *(3) The Federal Government needs a comprehen-*
9 *sive plan to ensure the establishment and mainte-*
10 *nance within the emergency response elements of the*
11 *Federal Government and State and local governments*
12 *of a reliable and efficient capability to provide train-*
13 *ing to, and evaluation of, emergency response person-*
14 *nel and facilities in responding to such medical emer-*
15 *gencies.*

16 *(b) REPORT.—(1) Not later than March 1, 1998, the*
17 *President shall submit to Congress a report on the plans,*
18 *preparations, and capability of the Federal Government*
19 *and State and local governments for a national response*
20 *to medical emergencies arising from the terrorist use of*
21 *weapons of mass destruction. The report shall be submitted*
22 *in unclassified form, but may include a classified annex.*

23 *(2) The report should be prepared in consultation with*
24 *the Secretary of Defense, the Secretary of Health and*
25 *Human Services, the Secretary of Veterans Affairs, the Di-*

1 *rector of the Federal Emergency Management Agency, and*
2 *the heads of any other departments and agencies of the Fed-*
3 *eral Government that will be involved in responding to such*
4 *emergencies. The President shall designate a lead agency*
5 *for purposes of the preparation of the report.*

6 (c) *CONTENTS.—The report shall include the following:*

7 (1) *A description of the steps taken by the Fed-*
8 *eral Government to plan and prepare for a national*
9 *response to medical emergencies arising from the ter-*
10 *rorist use of weapons of mass destruction.*

11 (2) *A description of the laws and agreements*
12 *governing the responsibilities of the various depart-*
13 *ments and agencies of the Federal Government, and*
14 *of State and local governments, for the response to*
15 *such emergencies, and an assessment of the inter-*
16 *relationship of such responsibilities under such laws*
17 *and agreements.*

18 (3) *Recommendations, if any, for the simplifica-*
19 *tion or improvement of such responsibilities.*

20 (4) *An assessment of the current level of pre-*
21 *paredness for such response of all departments and*
22 *agencies of the Federal Government and State and*
23 *local governments that are responsible for such re-*
24 *sponse.*

1 (5) *A current inventory of the existing medical*
2 *assets from all sources which can be made available*
3 *for such response.*

4 (6) *Recommendations, if any, for the improved*
5 *or enhanced use of the resources of the Federal Gov-*
6 *ernment and State and local governments for such re-*
7 *sponse.*

8 (7) *The name of the official or office of the Fed-*
9 *eral Government designated to coordinate the response*
10 *of the Federal Government to such emergencies.*

11 (8) *A description of the lines of authority be-*
12 *tween the departments and agencies of the Federal*
13 *Government to be involved in the response of the Fed-*
14 *eral Government to such emergencies.*

15 (9) *A description of the roles of each department*
16 *and agency of the Federal Government to be involved*
17 *in the preparations for, and implementation of, the*
18 *response of the Federal Government to such emer-*
19 *gencies.*

20 (10) *The estimated costs of each department and*
21 *agency of the Federal Government to prepare for and*
22 *carry out its role as described under paragraph (9).*

23 (11) *A description of the steps, if any, being*
24 *taken to create a funding mechanism for the response*
25 *of the Federal Government to such emergencies.*

1 **SEC. 333. TECHNICAL AMENDMENTS.**

2 (a) *PLOT ALLOWANCE FOR DEATHS IN DEPARTMENT*
 3 *FACILITIES.*—Section 2303(a)(2)(A) is amended by striking
 4 out “a Department facility (as defined in section 1701(4)

5 of this title)” and inserting in lieu thereof “a facility of

6 the Department (as defined in section 1701(3) of this title)”.

7 (b) *EDUCATIONAL ASSISTANCE ALLOWANCE FOR CER-*
 8 *TAIN INDIVIDUALS PURSUING COOPERATIVE PROGRAMS.*—
 9 Section 3015(e)(1) is amended—

10 (1) by striking out “(1) Subject to paragraph

11 (2)” and inserting in lieu thereof “(1)(A) Except as

12 provided in subparagraph (B) of this paragraph and

13 subject to paragraph (2)”; and

14 (2) by adding at the end the following:

15 “(B) Notwithstanding subparagraph (A) of this para-

16 graph, in the case of an individual described in that sub-

17 paragraph who is pursuing a cooperative program on or

18 after October 9, 1996, the rate of the basic educational as-

19 sistance allowance applicable to such individual under this

20 chapter shall be increased by the amount equal to one-half

21 of the educational assistance allowance that would be appli-

22 cable to such individual for pursuit of full-time institu-

23 tional training under chapter 34 (as of the time the assist-

24 ance under this chapter is provided and based on the rates

25 in effect on December 31, 1989) if such chapter were in ef-

26 fect.”.

1 (c) *ELIGIBILITY OF CERTAIN VEAP PARTICIPANTS TO*
 2 *ENROLL IN MONTGOMERY GI BILL.*—Section 3018C(a) is
 3 amended—

4 (1) in paragraph (1), by striking out “the date
 5 of the enactment of the Veterans’ Benefits Improve-
 6 ments Act of 1996” and inserting in lieu thereof “Oc-
 7 tober 9, 1996,”;

8 (2) in paragraph (4), by striking out “during
 9 the one-year period specified” and inserting in lieu
 10 thereof “after the date on which the individual makes
 11 the election described”; and

12 (3) in paragraph (5), by striking out “the date
 13 of the enactment of the Veterans’ Benefits Improve-
 14 ments Act of 1996” and inserting in lieu thereof “Oc-
 15 tober 9, 1996”.

16 (d) *ENROLLMENT IN OPEN CIRCUIT TELEVISION*
 17 *COURSES.*—Section 3680A(a)(4) is amended by inserting
 18 “(including open circuit television)” after “independent
 19 study program” the second place it appears.

20 (e) *ENROLLMENT IN CERTAIN COURSES.*—Section
 21 3680A(g) is amended by striking out “subsections (e) and
 22 (f)” and inserting in lieu thereof “subsections (e) and
 23 (f)(1)”.

24 (f) *CERTAIN BENEFITS FOR SURVIVING SPOUSES.*—
 25 Section 5310(b)(2) is amended by striking out “under this

- 1 *paragraph” in the first sentence and inserting in lieu there-*
- 2 *of “under paragraph (1)”.*

Amend the title so as to read: “A bill to codify the December 1, 1996, increase in the rates and limitations of compensation and dependency and indemnity compensation payable by the Secretary of Veterans Affairs, to authorize major medical facility projects and leases of the Department of Veterans Affairs, to extend and improve other authorities of the Secretary, and for other purposes.”.